

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

SERVICE DATE

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
)
Complainant,)
)
v.)
)
U S WEST COMMUNICATIONS, INC.,)
)
Respondent.)
.)

DOCKET NO. UT-950200

OCT 19 1995

NINTH SUPPLEMENTAL ORDER
GRANTING RESPONDENT'S ORAL
MOTION FOR CONTINUANCE

On October 12, 1995, the Commission convened a prehearing conference in this proceeding pursuant to prior notice. The purpose of the prehearing conference was to receive oral argument on motions filed by U S WEST Communications, Inc. (USWC or company) and Commission Staff. At that hearing, the company made an oral motion for continuance of the current hearing schedule to permit USWC to engage all parties of record in discussions leading to resolution of issues in this proceeding. The hearing was continued to October 17, 1995, and on that day continued to October 19, 1995.

The company and Commission Staff believe that settlement of some or all issues in this proceeding is possible if the parties are given the opportunity to devote sufficient time and resources necessary to negotiate mutually beneficial resolution of issues. Other parties have expressed varying levels of support for the prospect of settlement, and some parties have indicated they will not participate in resolving any issues through settlement discussions with the company.

The Commission has always encouraged parties to meet with one another to discuss settlement of issues, and to resolve contested issues outside the hearing process. We continue to believe that those directly affected by the outcome of matters before the Commission are in the best position to protect their own interests through negotiation and alternatives to litigation.

Here, the company has expressed its willingness to engage all parties to this proceeding in settlement discussions, no small undertaking given the number of parties and breadth of interests represented. The company has consented to a voluntary extension of the statutory suspension period for its filed tariffs to permit all parties to devote their full attention to these discussions. The Commission therefore believes it is appropriate for the company to have this opportunity to enter into settlement discussions, conditioned upon the terms of this order. The company must within 24 hours of receipt of this order by telefacsimile respond in writing to its acceptance of the conditions described below.

I. The company in writing will waive the statutory suspension date from January 21, 1995, to April 1, 1995.

II. The Commission will proceed with the cross-examination of witnesses on quality of service issues currently scheduled for November 9-10, 1995.

III. File jointly with other parties all stipulations or settlements not later than December 8, 1995.

IV. The company will commit to resolving costing issues to the satisfaction of the Commission as a condition prerequisite to accepting any stipulation or settlement of issues in this proceeding. The Commission has on numerous occasions, most recently in the "term loops" order, expressed its frustration with its inability to penetrate USWC's calculation of costs. The Commission will therefore require that any settlement of issues in this proceeding resolve costing issues, or the company's commitment to submit costing issues to the Commission for resolution. If the parties achieve a resolution of costing issues as part of their settlement of other issues in this proceeding, acceptance by the Commission will require a transparent, rational, stable, consistent, and understandable approach, that will continue to be viable and applicable in determining costs for services in the foreseeable future.

The company's costing models have been described as cryptic and a "black box" in testimony or briefs in the pending interconnection proceeding. Other testimony has concluded that review of these costing models is virtually impossible. These problems with USWC's cost modeling must be resolved if a settlement includes resolution of this issue.

If this issue is not part of a settlement presented to the Commission, the company must, and other parties may, file with the Commission not later than December 15, 1995, supplemental testimony regarding the appropriate costing methodology to be used in this and future proceedings. Such testimony should include adequate information to allow parties to proceedings involving cost issues to have the ability to understand assumptions used, to review and analyze the effect of inputs and outputs, and to modify and model different inputs and assumptions.

ORDER

THE COMMISSION ORDERS That the oral motion of U S WEST Communications, Inc., for a continuance of the current schedule in this proceeding is granted contingent upon acceptance by USWC of the conditions as fully described above.

DATED at Olympia, Washington, and effective this 19th day of October 1995.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Sharon L. Nelson

SHARON L. NELSON, Chairman

William R. Gillis

WILLIAM R. GILLIS, Commissioner